GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3834
ANSWERED ON:22.03.2001
FUNDS FOR ONGOING PROJECTS
DINSHA J. PATEL

Will the Minister of POWER be pleased to state:

(a) whether there is a tremendous resource crunch in the power sector;

(b) if so, the details of quantum of funds available and the details of requirement of funds to complete the on-going projects;

(c) whether no new project is being taken up by the Government for want of funds; and

(d) if so, the efforts made by the Government to mobilize resources?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (d) : Funds are not a constraint for the proposed Plan schemes in the Centralsector. However, in order to supplement the resources of the public sector in the field of power, the Government opened the sector for private sector participation in 1991 by amending the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948.While the response of the private sector to the policy of the Government has been encouraging, private sector participation has not been forthcoming to the extent that was expected. This was primarily due to the poor financial health of the State Electricity Board.

Nevertheless, new projects are being taken up progressively both in the public and private sectors. The balance requirement of funds, as compiled by CEA, for ongoingpower projects in the public sector, both at the Centre and the States is estimated at approximately Rs. 42,000 crore. The Central Electricity Authority (CEA) has estimatedthat in order to have power on demand by the year 2012, an additional capacity of 1,00,000 MW would be required in the next 10-12 years. The CEA have alreadyidentified a list of tentative projects aggregating to a total capacity of 1,06,000 MW which can be commissioned. For mobilization of resources and other issues, the Government has set up a Working Group for power sector for the 10th Five Year Plan. The Working Group will be making a detailed estimate of the requirement of funds for the power sector including its sourcing.